

Sundar Pichai/Robert Thomson

A/C Privileged and Confidential: Prepared for Sundar

MEETING INFORMATION

- **Partner:** News Corp
- **Date, Time:** Wednesday, June 1, 2022 @ 5:00pm PT
- **Partner attendees:** Robert Thomson, CEO News Corp
- **Meeting objective:** Listen to Robert's latest feedback and requests

TL;DR - Key messages

- [REDACTED]
[REDACTED] We are in the process of signing a one-year contract extension (ending June 30, 2023), to allow time for a comprehensive negotiation. Next steps are to schedule time with legal and business development leads on both sides to discuss the topics raised by News Corp.
- [REDACTED]
- [REDACTED]

POTENTIAL DISCUSSION TOPICS

Google Ad Manager Renewal

- **Context:**
 - News Corp signed a two-year Google Ad Manager contract renewal in December 2019; they have since signed two three-month extensions (ending March 31, 2022 and June 30, 2022) as we continue renewal negotiations. We are currently working on a one-year contract renewal with an expiration date of June 30, 2023.
 - GAM renewal discussions began in late Q2 '21.
[REDACTED]
 - [REDACTED]
 - [REDACTED]
 - **Summary of topics raised by News Corp on May 3rd 2022:**
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- **Status:**
 - Don met with News Corp Chief Strategy Officer Anoushka on 5/23/22 to discuss the status of the GAM negotiations.
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]

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- Anoushka asked that one legal and one business development representative from each company agree to meet to discuss the issues raised by News Corp. This meeting is currently being scheduled, with Ted Lazarus and Jason Washing participating for Google.
- **Reactive Talking Points:**
 - I understand that we will be signing a one-year contract to allow our teams enough time to discuss News Corp's feedback. We will work with you in good faith throughout the Google Ad Manager negotiation to find solutions that work for all parties.

Content Licensing

- **Context:**
 - In Q2 '21 we signed a Letter of Intent with News Corp, focused on content licensing, [REDACTED]
- **Status:**
 - All deals are progressing well. We held an in-person QBR with News Corp on May 16, 2022 to review all elements of the existing content licensing deal. The Google News Partnerships team and News Corp's cross-business unit leadership recapped highlights and learnings from the partnership's first year and looked at upcoming product developments. The News Corp representatives were eager to engage and came away "even more inspired by the growing number of ways to experiment and partner together."
- **Reactive Talking Points:**
 - I am happy with the progress that we have made a year into the deal. We look forward to continuing to partner with News Corp on News Showcase.

Cloud Negotiations

- **Context:**
 - Over the past two years, News Corp has verbally committed to multiple multi-year global deals, but has rescinded or otherwise declined to substantively engage.
 - News Corp is primarily an AWS customer, and may use GCP negotiations as leverage to reduce prices with AWS.
- **Status:**
 - Recently, the Cloud team has been focused on developing C-level relationships at the News Corp business unit level and pitching regional business units.
 - The Cloud team is in early stages of restarting global cloud discussions with News Corp CTO David Kline.
- **Reactive Talking Points:**
 - Our cloud team is very eager to partner more closely with News Corp globally and at the regional business unit level. Who would be the best point of contact at News Corp for the Cloud team to reach out to?

Potential News Corp Headwinds

- **Context:**
 - In News Corp's most recent earnings call (quarter ending March 31, 2022), Robert Thomson and CFO Susan Panuccio provided guidance on revenue and profit headwinds due to rising interest rates. News Corp is concerned that marketing spend will drop and real estate markets will cool. Both will impact News Corp's overall revenue.
- **Status:**
 - Google teams have not received any urgent feedback or requests from News Corp regarding business challenges to date.
- **Reactive Talking Points:**
 - Our teams are constantly thinking about ways to help partners succeed in economic downturns. They can absolutely partner to identify solutions to improve efficiency and impact.

GAPP INPUT

- News Corp openly advocates and lobbies for government intervention in our business, across regions, products and policy areas, and spends significant energy and resources recruiting and funding others to do the same.
 - News Corp's industry associations - most notably the News Media Alliance (of which its EVP of Global Affairs is Chair), Digital Content Next, and News Media Alliance UK - laud the AU News Media Bargaining Code as model regulation, champion similar actions in CA, the US and elsewhere and encourage lawmakers to explore tangential regulation (for instance the American Innovation and Choice Online Act).

Since signing the content licensing deals, News Corp may be less of an openly vocal detractor but they remain one of the key 'Google detractors' by exerting their influence via these organizations.

- In May 2022 the NMA UK claimed news is worth £1bn a year to Google and Facebook's UK operations and that user engagement with news content creates substantial value for Google and Facebook through the collection of data and incremental ads revenue.
- The change of government in Australia is unlikely to impact News Corp's influence there, where the incoming Labor Party has ruled out calls for a Royal Commission of Inquiry into media diversity and News Corp.
- In August 2021, Sky News AU was banned from posting new videos to YT for one week after breaking Covid misinformation policies. At a March '22 event for an Australian conservative think tank, Lachlan Murdoch referenced this example as conservative ideas being suppressed/canceled by big tech and mainstream media.

RELATIONSHIP MAP

Status	Product	Context

